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C O N F I D E N T I A L SECTION 01 OF 02 THE HAGUE 002548

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E.O. 12958: DECL: 10/03/2008

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SUBJECT: IRAQI DELEGATION VISIT TO THE HAGUE OCTOBER 3

REF: STATE 280992

Classified By: ECONOMIC COUNSELOR RICHARD HUFF. REASONS 1.5(B) AND (D)

1. (C) SUMMARY: AN OFFICIAL IRAQI DELEGATION HEADED BY PLANNING MINISTER HAFEDH MADE A BRIEF VISIT TO THE HAGUE OCTOBER 3 IN ADVANCE OF THE IRAQI DONORS' CONFERENCE. WHILE NOT SECURING ANY SPECIFIC PLEDGES OF ADDITIONAL SUPPORT FROM THE "VERY CONSERVATIVE" DUTCH, THE TEAM REPORTED THAT THE VISIT HAD BEEN USEFUL IN ESTABLISHING CONTACTS WITH SENIOR DUTCH OFFICIALS. THEY PROMISED TO FOLLOW UP WITH ADDITIONAL DATA FROM SPECIFIC SECTORS, SUCH AS WATER AND HEALTH, IN WHICH THE DUTCH COULD BE INTERESTED. THE DUTCH REPORTEDLY EMPHASIZED THE ROLE OF THE PRIVATE SECTOR IN RECONSTRUCTION. END SUMMARY.

2 (U) IRAQI PLANNING MINISTER MEHDI HAFEDH AND MFA OFFICIAL MOWAFAK ABBUDD OUTLINED IRAQI'S NEEDS FOR RECONSTRUCTION IN SEPARATE MEETINGS WITH DUTCH TRADE MINISTER KAREN VAN GENNIP AND MFA DEPUTY DIRGEN FOR POLITICAL AFFAIRS HERMAN SCHAPER IN AN ABBREVIATED OCTOBER 3 VISIT TO THE HAGUE. WHILE AT THE ECONOMY MINISTRY, THE IRAQIS ALSO HAD A CHANCE TO TALK WITH REPRESENTATIVES FROM THE IRAQI TASK FORCE, AN UMBRELLA GROUP OF DUTCH BUSINESSES INTERESTED IN IRAQI RECONSTRUCTION. THE IRAQIS WERE ACCOMPANIED BY TOM ALLEN FROM THE CPA/CIC.

3. (C) IN A SHORT PRE-MEETING BRIEFING FOR THE TEAM AT THE AMSTERDAM AIRPORT, THE AMBASSADOR URGED THE DELEGATES TO EMPHASIZE IRAQI'S NEEDS AND TO ENGAGE THE DUTCH IN DISCUSSIONS OVER PARTICULAR SECTORS, SUCH AS WATER AND HEALTH, IN LIGHT OF THEIR REPEATEDLY EXPRESSED RELUCTANCE TO PROVIDE ADDITIONAL GENERAL-PURPOSE FINANCIAL AID. HE ALSO EMPHASIZED THE ECONOMY MINISTRY'S INTEREST IN SECURING A GREATER ROLE FOR DUTCH INDUSTRY IN IRAQI'S RECONSTRUCTION PROGRAM AS ANOTHER SELLING POINT IN ENTICING THE GONL INTO BECOMING MORE ACTIVE IN IRAQ.

4. (C) FOLLOWING THE TEAM'S DISCUSSIONS WITH THE DUTCH, MINISTER HAFEDH REPORTED TO THE DCM AND EMBOFFS THAT HE HAD FOLLOWED THE AMBASSADOR'S ADVICE IN STRESSING PARTICULAR PROJECTS AND SECTORS. ALTHOUGH THE MEETINGS HAD BEEN USEFUL, THE MINISTER SAID, THE DUTCH HAD BEEN VERY CONSERVATIVE IN MAKING ANY PLEDGES OF ADDITIONAL SUPPORT. THE DUTCH HAD STRESSED THE VARIOUS FORMS OF SUPPORT AND ASSISTANCE THEY HAD ALREADY PROVIDED, FROM THE 1100 TROOPS ON THE GROUND TO POLICE TRAINING TO THE ROUGHLY 10 MILLION EURO DUTCH SHARE OF THE FORTHCOMING 200 MILLION EURO EU PLEDGE TO BE MADE AT MADRID. THE DUTCH ALSO NOTED THEIR CURRENT ECONOMIC DIFFICULTIES AND THE TIGHT 2004 BUDGET RECENTLY PROPOSED TO THE PARLIAMENT AS FURTHER CONSTRAINTS. PER THE MINISTER, THE DUTCH SUGGESTED THAT SUPPORT FOR IRAQI MIGHT BE MORE APPROPRIATELY PROVIDED IN THE FORM OF LOANS, SUCH AS FROM THE IFIS, RATHER THAN AS GRANTS.

5. (C) DESPITE THE LACK OF SPECIFIC PLEDGES OF ADDITIONAL DUTCH SUPPORT, THE IRAQIS BELIEVED THAT THE VISIT HAD GENERATED SOME USEFUL ATMOSPHERICS, PARTICULARLY REGARDING PRIVATE SECTOR INVOLVEMENT IN IRAQI'S RECONSTRUCTION. MR. ABBUDD FROM THE IRAQI MFA REPORTED THAT THE GROUP HAD STRESSED THAT THE IRAQIS WILL REMEMBER WHO WAS MOST HELPFUL IN THEIR CURRENT TIME OF NEED IN FUTURE BUSINESS DEALINGS.

6. (U) THE DCM URGED THE IRAQIS TO FOLLOW UP DIRECTLY WITH THE RELEVANT DUTCH OFFICIALS RESPONSIBLE FOR PROVIDING OFFICIAL DEVELOPMENT ASSISTANCE AND STIMULATING BUSINESS DEVELOPMENT, AND PROMISED THE EMBASSY'S ASSISTANCE IN PROVIDING THE NAMES AND CONTACT INFORMATION FOR THESE INDIVIDUALS. HE ALSO URGED THE TEAM TO CONTACT THE DUTCH CHARGE IN BAGHDAD FOR FURTHER ADVICE ON EXPANDING CONTACT WITH THE GONL. HE SUGGESTED THAT IT COULD BE USEFUL TO TAKE THE INITIATIVE TO INVITE THESE OFFICIALS TO IRAQI AS A MEANS OF STIMULATING THEIR INTEREST. MINISTER HAFEDH AGREED WITH THESE SUGGESTIONS.

7. (U) EMBOFFS ALSO SUGGESTED THAT DUTCH NGOS, WHICH ARE HEAVILY FUNDED BY THE GONL, COULD BE ANOTHER AVENUE FOR INCREASING DUTCH SUPPORT FOR IRAQI'S RECONSTRUCTION AND DEVELOPMENT. THE GROUP WILL MEET WITH THE DUTCH NGO IKV ON OCTOBER 4 BEFORE ITS DEPARTURE FOR LONDON.

8. (U) THE IRAQI DELEGATION'S VISIT TO THE HAGUE WAS ORGANIZED BY THE DUTCH MFA; THE IRAQI EMBASSY TO THE

NETHERLANDS IS CURRENTLY UNSTAFFED. TWO IRAQI DIPLOMATS HAVE BEEN ASSIGNED TO REOPEN THE POST, ONE OF WHOM IS READY TO TRAVEL PENDING THE ISSUANCE OF THE APPROPRIATE DUTCH VISA. UNFORTUNATELY, THE TEAM,S PROGRAM IN THE HAGUE WAS CUT SHORT BY A PROBLEM IN ISSUING THE GROUP,S AIR TICKETS FROM MADRID, WHICH FORCED A DELAY IN THEIR ARRIVAL AND A LAST-MINUTE REARRANGEMENT OF THE ORIGINAL DAY-LONG PROGRAM. NONETHELESS, THE TEAM SUCCEEDED IN MEETING TWO SENIOR DUTCH OFFICIALS AND ESTABLISHING CONTACTS THAT COULD LEAD TO GREATER DUTCH INVOLVEMENT IN IRAQ'S RECONSTRUCTION.

RUSSEL